

Golden Valley Electric Association, Inc.

**True North Power line
Right-of-way**

ADL 416477

Proposed Decision

Action Requested

Golden Valley Electric Association, Inc. (GVEA) has applied to the Division of Mining, Land and Water (DMLW), Department of Natural Resources (DNR) for a 30-foot wide public right-of-way. GVEA proposes to construct, operate and maintain an overhead electrical distribution power line to immediately serve the True North Project, and possibly, in the future, serve other members in the area. GVEA has provided two basic routes for the power line as shown on the map in Attachment 1 as Route A with possible deviations to follow the road in the SW ¼ of Section 34 and in Section 33. This right-of-way will extend into the permit area to the True North mine development.

Scope of Review and Finding

The scope of the decision is limited to determining whether the proposed use is a good use of state land and whether it provides the greatest economic benefit to the state and the development of its resources. In making this determination, DMLW evaluates the reasonably foreseeable, significant effects that the construction, operation and maintenance of the GVEA power line has on state land. The DMLW's decision evaluates the application with respect to material issues and facts, available land management information, public and agency comment, and DNR responsibilities under AS 38.04, AS 38.05, and specifically AS 38.05.850. This decision discusses the potential effects in general terms that may occur with the use of the right-of-way and the mitigation measures to be imposed as terms of the right-of-way to reduce or eliminate possible adverse effects.

Authority

The scope of this proposed decision is limited to determining whether the proposed use is a good use of state land and whether it provides the greatest economic benefit to the state and the development of its resources. In making this determination, DMLW evaluates the reasonably foreseeable, significant effects of the proposed right-of-way on state land. The DMLW's decision evaluates the application with respect to material issues and facts, available land management information, public and agency comment, and DNR responsibilities under AS 38.04, AS 38.05, and specifically AS 38.05.850. This decision discusses the potential effects in general terms that may occur with construction and operation of the right-of-way and the mitigation measures to be imposed as terms of the right-of-way permit to reduce or eliminate possible adverse effects. Under AS 38.05.801 and consistent with the Alaska Mental Health Enabling Act, the Alaska Mental Health Trust Land Office (TLO) is processing a separate permit for Mental Health Trust lands.

Administrative Record

This right-of-way request was applied for under AS 38.05.850. Right-of way application file, ADL 416477 comprises the administrative record for this case.

Legal Description and Title

The following table summarizes the land title, classification for the power line right-of-way request on DMLW managed state land. A map showing land status is Attachment 2.

LEGAL DESCRIPTION/TITLE/CLASSIFICATION

		GS	Patent/TAP	Classification	Length/Acres
T 3 N, R 1 E, FM					
Sec 33	SE1/4, S1/2NE1/4, SE1/4NW1/4	GS-1104	Patented 50-66-0026	Minerals/Public Recreation TBAP 1-J-2	3878 ft/2.7 ac
Sec 34	S1/2	GS-1104	Patented 50-66-0026	Minerals/Public Recreation TBAP 1-J-2	4503 ft/3.1 ac

The power line route crosses state mining claims in Sections 33 and 34. FGMI has an interest in this all these claims.

Tanana Basin Area Plan and FNSB Zoning

The proposed right-of-way is located within the Tanana Basin Area Plan (TBAP) in Subregion 1-Fairbanks North Star Borough, Management Unit 1J2-Cleary Summit-Pedro. The primary surface use designation is Minerals/Public Recreation. The secondary surface use is Forestry. The proposed right-of-way is consistent with the designated uses in the TBAP.

The Fairbanks North Star Borough has zoned this area General Use.

Background

The proposed True North Project is located on the northwest flank of Pedro Dome approximately 25 miles northeast of Fairbanks. This power line right-of-way will provide power from the existing power line on Pedro Dome. The first portion of the power line will be located on Mental Health Trust Land. Currently, FGMI has indicated the mine life for the Hindenburg and East pits is three years with reclamation following. FGMI is currently drilling to further define mineralization in the area. Exploration activities are anticipated to continue during the mine life to locate possible areas for expansion and associated mine development.

Based solely upon the current mine's life, this power line could be used for 3 to 5 years, unless additional mineral resources are found or some other demand for the electricity surfaces.

Traditional Use Finding

A traditional use finding is not required for the proposed right-of-way as it is within the Fairbanks North Star Borough.

Agency and Public Review

No formal agency review will be conducted for this right-of-way.

Two public meetings (April 18, 2000 and May 22, 2000) have been held to receive public comments on the True North project. The public has also provided comments in project team meetings.

The state agencies involved with this project will conduct a coordinated public review in July and August 2000. Display notices will be published in the Fairbanks Daily News Miner to notify the public of the public comment period, the Fairbanks meeting/hearing, and the deadline for public comments. The Proposed Decision will be available on the DNR Division of Mining, Land and Water web site at www.dnr.state.ak.us/mine_wat.

The recent amendment to AS 38.05.850 requires public notice of the right-of-way if it is not functionally revocable. While this right-of-way could be revoked in the future, it is being included in the public notice for the True North Project as it is an integral part of the larger project.

Agency and public comments received during the public notice comment period will be addressed in the Final Decision.

Discussion

GVEA has submitted a preferred route alignment to the DMLW. The proposed route, amended by letter dated May 31, 2000, generally follows the most direct route from Pedro Dome to the project area. In doing so, it avoids the patented federal mining claims in Section 34. GVEA submitted a letter, dated July 8, 2000, which shows a slight variation on their preferred route. The variation follows the North Pedro road alternative in the SW1/4 of Section 34 and then goes into the mine area.

GVEA has indicated that their route possibilities are limited considerably by the terrain in the area. GVEA contacted FGMI's road design engineer and was informed that the road is projected to have 2:1 back slopes; 2.5:1 fill slopes and in some of the steepest areas 25:1 vertical rock slopes. For the road and the power line to be co-located in some of these areas, the roadbed would have to be extremely wide. As a result, GVEA is proposing a route that crosses more favorable power line construction terrain.

Should FGMI be required to upgrade and construct any route other than the North Pedro alternative, GVEA's Route A (as shown in Attachment 1) would be followed. If the North

Pedro alternative is selected, either Route A or one of the “sub-routes” would be used. The final GVEA power line location would be dependent on the width required to co-locate the road and power line based upon the terrain and road construction.

Reclamation: GVEA may be required to reclamation the power line upon completion of FGMI's mining in the area. Any reclamation will be dependent upon other proposed uses in the area that require power distribution.

Reasonably, Foreseeable, Significant Effects: The reasonably, foreseeable effects of the proposed power line include the following:

- Clearing a 30-foot wide right-of-way to maintain for the duration of the right-of-way. Stipulations attached to the DMLW authorizations will require the trees to be cut and decked on the sides of the right-of-way or hydro-axed, and no disturbance to the vegetative mat.
- This power line is on the north side of Pedro Dome and may be seen by residents to the north and northwest. If GVEA identifies additional consumers in the future, this power line may be extended to provide either residential or commercial power. By stipulation in the DMLW authorization, GVEA may be required to reclaim the right-of-way.

The effects of this right-of-way are expected to be minimal.

Environmental Risk Assessment

The proposed activity involves the construction, operation and maintenance of an overhead electrical distribution line. Gasoline and diesel powered trucks and construction equipment will be used for construction of the proposed power line. The environmental risk for the right-of-way is minimal.

Survey/As-built

GVEA will be required to provide the DMLW with an as-built survey of the right-of-way based DMLW survey instructions.

Performance Guaranty/Indemnification/Insurance

Performance Guaranty: GVEA has on file with the DMLW a \$ 5000 performance guaranty in the form of a Certificate of Deposit for power line construction, operation and maintenance.

Indemnification: GVEA will be required to indemnify the state as is normally required in all state authorizations.

Insurance: GVEA has named the State of Alaska, DNR as an additional insured on its insurance. The general liability limits are \$1,000,000/\$2,000,000.

Fees

DNR fee regulations, 11 AAC 05.010(e)(13), set the fee for a public right-of-way under AS 38.05.810 is a one-time fee of 10 cents per lineal foot. This fee is due upon submittal of the as-built survey.

Term

The term for this power line right-of-way will be 10 years. The right-of-way is revocable and could be terminated earlier for non-use. The Director of the DMLW may extend the right-of-way authorization if the power line is required for the development of additional mineral resources or to provide power to other sources.

Early Entry Authorization/Right-of-way

After issuance of the DMLW's Final Decision and after the appeal period closes for the all the DMLW True North authorizations, the DMLW would issue GVEA a land use permit for construction on the proposed right-of-way. The land use permit and right-of-way would include the proposed stipulations listed in Attachment 3.

Recommendation

The Northern Regional Office of the Division of Mining, Land and Water recommends that this request proceed to public notice.

The proposed power line improvements will provide the greatest economic benefit to the state for this land as it will facilitate the development of the surrounding state land for mineral development and for potential residential or commercial uses.

_____/SIGNED/_____
Chris Milles, Adjudicator

____ July 14, 2000 ____
Date

Attachments

- Attachment 1: Map of GVEA power line alternatives
- Attachment 2: Land Status Map
- Attachment 3: Proposed Special Stipulations